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USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: NICHOLAS PIRAMAL
INDIA LTD., HYDERABAD, License No. D350145

REF: USDOC 03131

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Export Control Officer (ECO) Paul Cushman, Former ECO Michael Rufe and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Nicholas Piramal India Ltd. (Nicholas), on April 19, 2007.

¶3. BIS requested a PSV at Nicholas, a private sector company, located at: 5-9-30, Road No. 4, Bashheerbagh, Hyderabad 500063, Tel: 91-40-2322-6719, Fax: 91-40-2326-2242, email: vicekmadan@nicholaspiramal.co.in, Website: www.nicholaspiramal.com. Nicholas was listed as the Ultimate Consignee; Lutz-Pumpen GmbH and Co., Wertheim, Germany as the Foreign Purchaser; and Shanbhag and Associates (Shanbhag), Mumbai as the Intermediate Consignee for 1 Model 5701-080 one-inch Air operated double diaphragm pump controlled under ECCN 2B350. The license applicant was Lutz-Jesco (Lutz-Jesco) America Corp., Rochester, NY.

¶4. BIS Team met with Vivek Madan (Madan), Vice President-Manufacturing at Nicholas Office in Hyderabad. The Nicholas factory is located approximately 80 kilometers north of Hyderabad in the Medak District.

¶5. Madan was not aware of the BIS regulations. This was the first USG or BIS official visit to Nicholas. Madan stated that due to Shanbhag's failure for timely delivery of the pump, they cancelled the order and purchased a locally-made pump. In response to BIS initial PSV request, Nicholas agreed to host the BIS Team for the PSV but after checking the inventory they found that they never purchased the pump. Harish Verma (Verma) of Nicholas then approached Shanbhag through email informing them about the BIS Team's visit to conduct a PSV on April 19, 2007. In turn Sunil Shanbhag of Shanbhag sent an email response to Verma which is reproduced below:

¶6. Begin quote: Please note we have checked our records in this regard. You had placed an order on us in Indian rupees in August/September 2005 for one 1/2-inch KNT/TF Lutz AODD pump. This product comes under export license control and accordingly you had submitted end-use certificate plus other relevant documents for the license application. We had in turn forwarded the same to our principals in USA who had sent in the application for license. This clearance was received from the U.S. Authority in March 2006 and the pump was subsequently dispatched to us by our principals. Regrettably the delay was nearly five-six months after your order placement and you then expressed your inability to take the pump for your use due to the long delay to supply. Hence this pump remains

in our stock since then. In case you still have such requirement and application you could consider lifting this pump for your plant. Regards. For Shanbhag & Associates, Sunil Shanbhag. End quote.

¶7. BIS Team inquired Madan whether currently or in the near future they would require such a pump. Madan declined and stated that he does not foresee a need for such a pump in the near future.

¶8. Per their website, established in 1988, Nicholas is India's second largest pharmaceutical and healthcare company. Nicholas is part of Piramal Enterprises which is one of India's largest diversified business houses. Nicholas manufactures medicines for the cardio-vascular segment, and has a strong presence in the antibiotics and respiratory segments, pain management, neuro-psychiatry and anti-diabetics segments. The Nicholas Medak District plant is USFDA approved and accredited by MCA of U.K., TGA of Australia and the European and Canadian Drug Authorities. The product range includes phensedyl, ismo, supradyn, gardenal, stemetil, haemaccel, rejoin, paraxin, flagyl and omnatax. It has five manufacturing locations and employs approximately 7,000 personnel.

¶9. Recommendation: The PSV remains inconclusive since Nicholas Piramal India Ltd. did not purchase the Lutz-Jesco pump. (PSCUSHMAN/PNARAYAN) Pyatt